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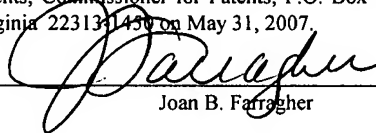
IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BOARD OF PATENT APPEALS AND INTERFERENCES

Appl. No. : 10/798,505 Confirmation No. 6391  
Applicants : Aoyama et al.  
Filed : March 11, 2004  
Title: : System and Method for  
Distribution Chain Management  
  
Art Unit : 3623  
Examiner : Susanna Meinecke Diaz  
Docket No. : 600052-0000 (B75163D)  
Customer No. : 33649

Mail Stop Appeal Brief - Patents  
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P.O. Box 1450  
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Joan B. Farragher

**ATTENTION: Board of Patent Appeals and Interferences**

**TRANSMITTAL OF REPLY TO EXAMINER'S ANSWER**

This Reply to the Examiner's Answer is being filed within two (2) months of the date of the Examiner's Answer (date mailed from U.S. Patent and Trademark Office shown as April 23, 2007). Applicants respectfully request review and consideration of this Reply to the Examiner's Answer.

Dated: May 31, 2007

Respectfully submitted,

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**REPLY TO EXAMINER'S ANSWER**

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**I. STATUS OF CLAIMS (37 C.F.R. §41.37(c)(iii))**

**A. TOTAL NUMBER OF CLAIMS IN APPLICATION**

Claims in the application are: 20

**B. STATUS OF ALL THE CLAIMS IN APPLICATION**

1. Claims rejected: Claims 11 through 14, 21 through 36 and 38.

2. Claims cancelled: Claims 1 through 10, 15 through 20, and 37

**C. CLAIMS ON APPEAL**

The claims on appeal are: Claims 11 through 14, 21 through 36 and 38.

## II. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

1. Whether the Examiner has Misconstrued the Reverse Logistics Means.
2. Whether the Examiner has Misconstrued the “Transfer Data” Generated by the Reverse Logistic Means.
3. Whether the Examiner has Misconstrued the “Internal Warehouse” that Receives Shipping Data Generated from the Transfer Data of the Reverse Logistic Means.
4. Whether the Examiner has Misconstrued the “Inventory System” that Receives Shipping Data Generated from the Transfer Data of the Reverse Logistic Means.
5. Whether the Examiner has Misconstrued the “Internal Warehouse Order System” that Receives Shipping Data Generated from the Transfer Data of the Reverse Logistic Means.
6. Whether the Examiner has Misconstrued the “External Warehouse Order System” that Receives Shipping Data Generated from the Transfer Data of the Reverse Logistic Means.
7. Whether the Examiner has Misconstrued “Reverse Logistics Data.”
8. Whether the Examiner has Failed to Provide a Statutory Basis for the Rejection of Claim 31.
9. Whether the Examiner has Failed to Provide a Prima Facie Basis for the Rejection of Claims 25-30, 32-36, and 38 Under 35 U.S.C. 103.
10. **(New)** Whether the Examiner has Failed to Address the Grounds of Rejection to be Reviewed on Appeal, and Should be REVERSED for Failing to Offer any Responsive Arguments.
11. **(New)** Whether the Examiner has Applied an Incorrect Legal Standard in Construing the Claim Language.
12. **(New)** Whether the Examiner has Applied an Improper Legal Standard in Determining Whether a “Special Meaning” Exists.
13. **(New)** Whether the Examiner Ignores Controlling Federal Circuit Precedent in Construing Means Plus Function Claim Limitations.

### III. ARGUMENT

**10. The Examiner has Failed to Address the Grounds of Rejection to be Reviewed on Appeal, and Should be REVERSED for Failing to Offer any Responsive Arguments.**

Contrary to 37 C.F.R. 41.39 and M.P.E.P. 1207.02, which directs the Examinee to provide an answer that “should contain a response to the allegations or arguments in the [Appeal] brief,” the Examiner has decided to present her own Grounds of Rejection to be Reviewed on Appeal. The grounds of rejection set forth by the Applicant are as follows:

1. Whether the Examiner has Misconstrued the Reverse Logistics Means.
2. Whether the Examiner has Misconstrued the “Transfer Data” Generated by the Reverse Logistic Means.
3. Whether the Examiner has Misconstrued the “Internal Warehouse” that Receives Shipping Data Generated from the Transfer Data of the Reverse Logistic Means.
4. Whether the Examiner has Misconstrued the “Inventory System” that Receives Shipping Data Generated from the Transfer Data of the Reverse Logistic Means.
5. Whether the Examiner has Misconstrued the “Internal Warehouse Order System” that Receives Shipping Data Generated from the Transfer Data of the Reverse Logistic Means.
6. Whether the Examiner has Misconstrued the “External Warehouse Order System” that Receives Shipping Data Generated from the Transfer Data of the Reverse Logistic Means.
7. Whether the Examiner has Misconstrued “Reverse Logistics Data.”
8. Whether the Examiner has Failed to Provide a Statutory Basis for the Rejection of Claim 31.
9. Whether the Examiner has Failed to Provide a Prima Facie Basis for the Rejection of Claims 25-30, 32-36, and 38 Under 35 U.S.C. 103.

The Examiner fails to address these grounds of rejection, and instead merely restates the claim rejection headings from the final office action:

Whether Claims 11-14, 21-24, 26 and 31 are properly rejected under 35 U.S.C. §102(a, e) as being anticipated by Yang et al. (US 2001/0034673).

Whether Claims 25, 27-30 and 32-36 are properly rejected under 35 U.S.C. §103(a) as being unpatentable over Yang et al. (US 2001/0034673), as applied to claims 21 and 26, in view of

Singh et al. (US 2002/0169657).

Whether Claim 38 is properly rejected under 35 U.S.C. §103(a) as being unpatentable over Yang et al. (US 2001/0034673).

Although the Examiner's Answer contains a free-ranging "Response to Argument" section, that section fails to specifically address each of the Grounds of Rejection to be Reviewed on Appeal and instead combines, commingles, and misstates the specific arguments set forth in regards to each of the Grounds of Rejection to be Reviewed on Appeal as set forth in the Applicant's Brief. Allowing an Examiner to avoid responding to the specific issues set forth in an Applicant's Appeal brief is contrary to the mandate of M.P.E.P. 1207.02, which states that the Answer "should contain a response to the allegations or arguments in the [Appeal] brief." If an Examiner is not required to follow this specific direction, the Applicant and the Board will be left to hunt and seek through the Examiner's Answer to determine whether any response to a given argument is in fact present. As such, the Examiner has not addressed the Grounds of Rejection to be Reviewed on Appeal, with the possible exception of issue 9, and should be REVERSED as to all Grounds of Rejection to be Reviewed on Appeal that were not specifically addressed.

#### **11. The Examiner Applies an Incorrect Legal Standard in Construing the Claim Language.**

At page 13 of the Examiner's answer, the Examiner states (without reference to any case law) that "the recited phrase "reverse logistics" is given its broadest reasonable interpretation *within the confines of the claim language*." (Emphasis added). This is an incorrect legal standard. As stated by the Federal Circuit in *Philips v. AWH Corp.*, 415 F.3d 1303, 1316 (Fed. Cir. 2005), "The importance of the specification in claim construction derives from its statutory role. The close kinship between the written description and the claims is enforced by the statutory requirement that the specification describe the claimed invention in 'full, clear, concise, and exact terms.' 35 U.S.C. § 112, para. 1; *see Netword, LLC v. Centraa Corp.*, 242 F.3d 1347, 1352 (Fed. Cir. 2001) ('The claims are directed to the invention that is described in the specification; they do not have meaning removed from the context from which they arose.');

*see also Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 389, 116 S.Ct. 1384, 134 L.Ed.2d 577 (1996) ('[A claim] term can be defined only in a way that comports with the instrument as a whole.'). In light of the statutory directive that the inventor provide a 'full' and 'exact' description of the claimed



invention, the specification necessarily informs the proper construction of the claims. *See Merck & Co. v. Teva Pharms. USA, Inc.*, 347 F.3d 1367, 1371 (Fed. Cir. 2003) ('A fundamental rule of claim construction is that terms in a patent document are construed with the meaning with which they are presented in the patent document. Thus claims must be construed so as to be consistent with the specification, of which they are a part.')."

By limiting the construction of the claims to the "confines of the claim language," the Examiner has committed legal error. Using the Examiner's broader standard severely disadvantages the Applicants, as the claims will not be construed in that manner when the patent issues – thus, the Examiner imposes a double standard on the Applicants wherein the claims are construed during examination without regard to the specification, but are then construed so as to be consistent with the specification after issuance. For this reason, the Examiner's rejections, which are based on an improper legal standard, must be REVERSED.

**12. The Examiner Applies an Improper Legal Standard in Determining whether a "Special Meaning" Exists.**

The Examiner states at page 13 of the Answer (again, without reference to any case law) that "a special definition must be limiting and clearly define the exact metes and bounds of the specially defined term." This is also an incorrect legal standard. As noted by the Federal Circuit in *CCS Fitness, Inc. v. Brunswick Corp.*, 288 F.3d 1359, 1366-67 (Fed. Cir. 2002), "First, the claim term will not receive its ordinary meaning if the patentee acted as his own lexicographer and clearly set forth a definition of the disputed claim term in either the specification or prosecution history. *E.g.*, *Johnson Worldwide*, 175 F.3d at 990, 50 USPQ2d at 1610; *Rexnord*, 274 F.3d at 1342, 60 USPQ2d at 1854. Second, a claim term will not carry its ordinary meaning if the intrinsic evidence shows that the patentee distinguished that term from prior art on the basis of a particular embodiment, expressly disclaimed subject matter, or described a particular embodiment as important to the invention. *E.g.*, *Spectrum Int'l*, 164 F.3d at 1378, 49 USPQ2d at 1068-69 (narrowing a claim term's ordinary meaning based on statements in intrinsic evidence that distinguished claimed invention from prior art); *SciMed Life Sys., Inc. v. Adv. Cardiovascular Sys., Inc.*, 242 F.3d 1337, 1343-44, 58 USPQ2d 1059, 1064 (Fed. Cir. 2001) (limiting claim term based in part on statements in the specification indicating that 'all embodiments' of the claimed invention used a particular structure); *Toro Co. v. White Consol. Indus., Inc.*, 199 F.3d 1295,

1301, 53 USPQ2d 1065, 1069 (Fed. Cir. 1999) (limiting claim term based in part on statements in the specification describing a particular structure as "important to the invention"). Third, and most relevant to this case, a claim term also will not have its ordinary meaning if the term 'chosen by the patentee so deprive[s] the claim of clarity' as to require resort to the other intrinsic evidence for a definite meaning. *E.g.*, *Johnson Worldwide*, 175 F.3d at 990, 50 USPQ2d at 1610; *Gart*, 254 F.3d at 1341, 59 USPQ2d at 1295. Last, *as a matter of statutory authority, a claim term will cover nothing more than the corresponding structure or step disclosed in the specification, as well as equivalents thereto, if the patentee phrased the claim in step- or means-plus-function format.* 35 U.S.C. § 112 ¶ 6; *Watts v. XL Sys., Inc.*, 232 F.3d 877, 880-81, 56 USPQ2d 1836, 1838 (Fed. Cir. 2000) (construing § 112 ¶ 6)." (Emphasis added). As made clear by the Federal Circuit, the special meaning need not "be limiting and clearly define the exact metes and bounds of the specially defined term," as asserted by the Examiner, but rather may be implied or, as is the case for a number of terms in issue on appeal, may cover nothing more than the corresponding structure or step disclosed in the specification, as well as equivalents thereto, if the patentee phrased the claim in means-plus-function format. The Examiner ignores controlling Federal Circuit precedent and bases the rejection of the claims on an improper legal standard, and must therefore be REVERSED.

### **13. The Examiner Ignores Controlling Federal Circuit Precedent in Construing Means Plus Function Claim Limitations.**

As previously noted, controlling Federal Circuit precedent requires in "a means-plus-function claim in which the disclosed structure is a computer, or microprocessor, programmed to carry out an algorithm, *the disclosed structure is not the general purpose computer, but rather the special purpose computer programmed to perform the disclosed algorithm.*" *WMS Gaming, Inc. v. Int'l Game Technology*, 184 F.3d 1339, 1349 (Fed. Cir. 1999). The Examiner ignores this mandate, as noted on page 12 of the Answer, where the Examiner states "the structural elements required to perform the recited functionality corresponding to the reverse logistics means are any combination of hardware and/or software programmed to perform this functionality." In essence, the Examiner argues that the "structure" of the means-plus-function claim element is the "function." Such an absurd construction is clearly invalid and fails to apply controlling Federal Circuit precedent to the contrary. *See, e.g., Harris Corp. v. Ericsson Inc.*,

417 F.3d 1241, 1253-55 (Fed. Cir. 2005) (“*WMS Gaming* restricts computer-implemented means-plus-function terms to the algorithm disclosed in the specification. . . . Harris argues that this court's construction in *WMS Gaming* was merely a restatement of the function, not a legal holding that means-plus-function claims involving a microprocessor are always limited to the disclosed algorithm. We do not read *WMS Gaming* to be so limited. . . . Thus, the district court erred in holding that claims 1, 2, and 33 can cover systems that implement either a one-step or two-step process. The corresponding structure limits the "time domain processing means" to a two-step algorithm [disclosed in the specification] in which the processor calculates generally nondiscrete estimates and then selects the discrete value closest to each estimate, or structural equivalents thereof.) The Federal Circuit's holding in *Harris Corp.* makes it clear that the Examiner's personal opinion on the proper construction of the means-plus-function limitations at issue is legally incorrect. Simply because a general purpose computer that can be programmed to perform the claimed function is disclosed in the specification, that is insufficient structure to support a means-plus-function claim element – an algorithm is required.

This requirement is confirmed by the holding of many cases in which patent claims drawn to software having means-plus-function elements were held invalid because no corresponding algorithm structure was found in the specification. *See, e.g., Trilogy Software, Inc. v. Selectica, Inc.*, 2005 U.S. Dist. LEXIS 40059 at pg. 16 (E.D. Tex. 2005) (“The first question presented is whether the patent discloses sufficient structure corresponding to the "means for arranging" limitations. The parties do not dispute that the disclosure must be in the form of an algorithm. . . . The court . . . concludes that Figure 6 [a screen shot of a graphic user interface] is an insufficient disclosure of structure corresponding to the "means for arranging" limitations. That said, claim 31 is indefinite, and the court need not consider the remaining issues raised with respect to that claim.”); *Gobeli Research Ltd. v. Apple Computer Inc.*, 384 F. Supp. 2d 1016 (E.D. Tex. 2005); *Touchcom, Inc. v. Dresser, Inc.*, 427 F. Supp.2d 730 (E.D. Tex. 2005); *De Technologies, Inc. v. Dell, Inc.*, Civil Action No. 7:04CV00628, Memorandum Opinion at pg. 12 (W.D. Va. 2006) (“The court concludes that the specification does not disclose a corresponding structure including an algorithm for this function, and that Claim 13 is therefore indefinite and invalid.”). It is noted that a flow chart, such as the ones identified in the pending application, have been held to provide the necessary algorithm structure. *See, e.g., Contois Music Technology, LLC v. Apple Computer, Inc.*, 2:05-cv-163 Memorandum Opinion and Order at page 25 (Vt. July 24, 2006),

(Because "media playing means" may include a video player, Figure 8's depiction of a flow chart for the operation of the user interface for a video player is corresponding structure.).

The Examiner does not even attempt to identify any algorithm in the prior art that is the same as or an equivalent to the algorithms disclosed in the specification and previously identified in the Appellant's Brief. As a result, the Examiner's rejection of all means plus function limitations must be REVERSED.



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Dated: May 31, 2007

Respectfully submitted,

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